

FinTech: Reshaping Banking with Co-opetition and Disruption

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FinTech history



Credit cards

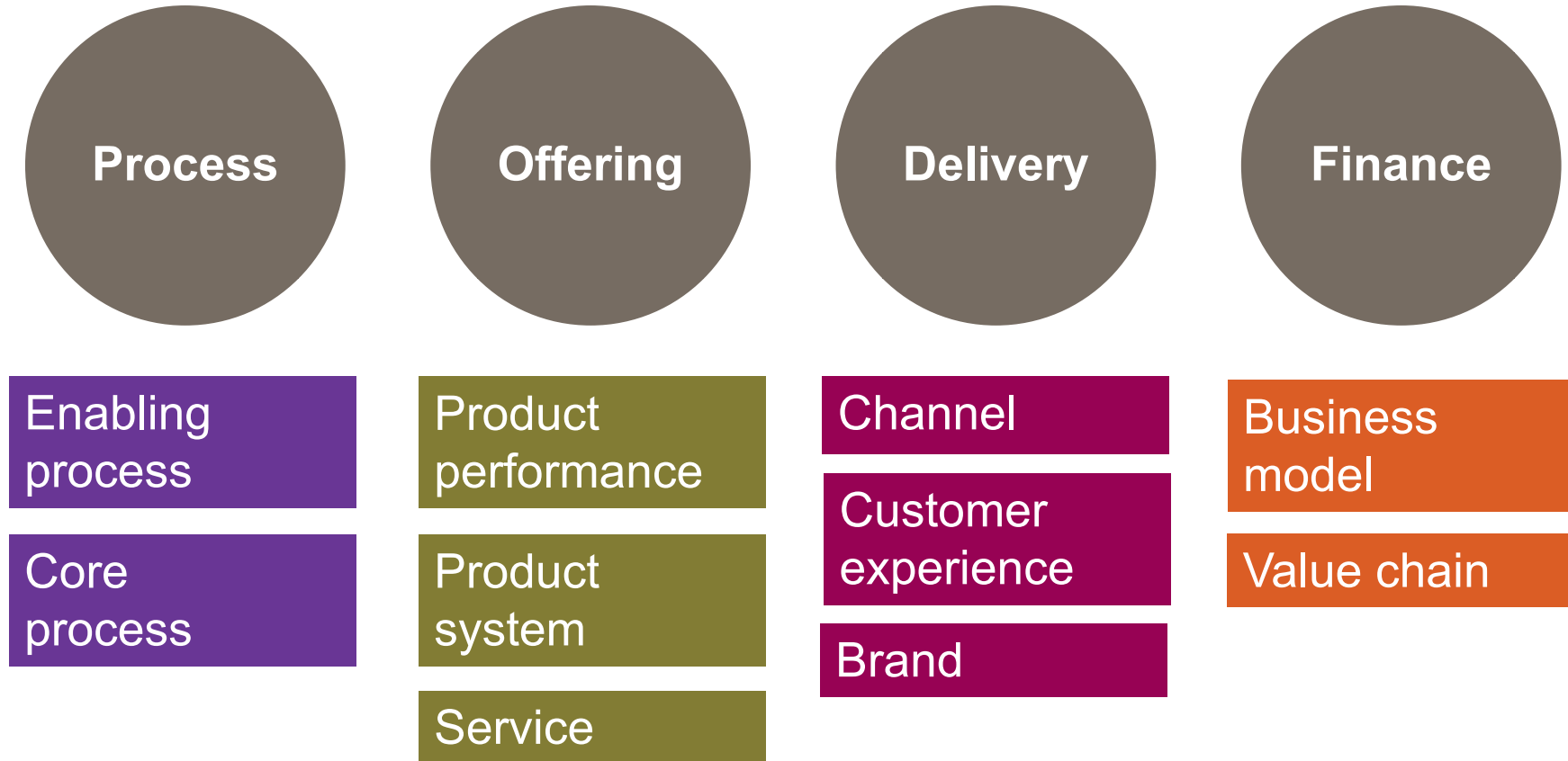
**Book-entry
trade
settlement**

**Automated
Teller Machine**

**Electronic
trading**

**Online
brokerage**

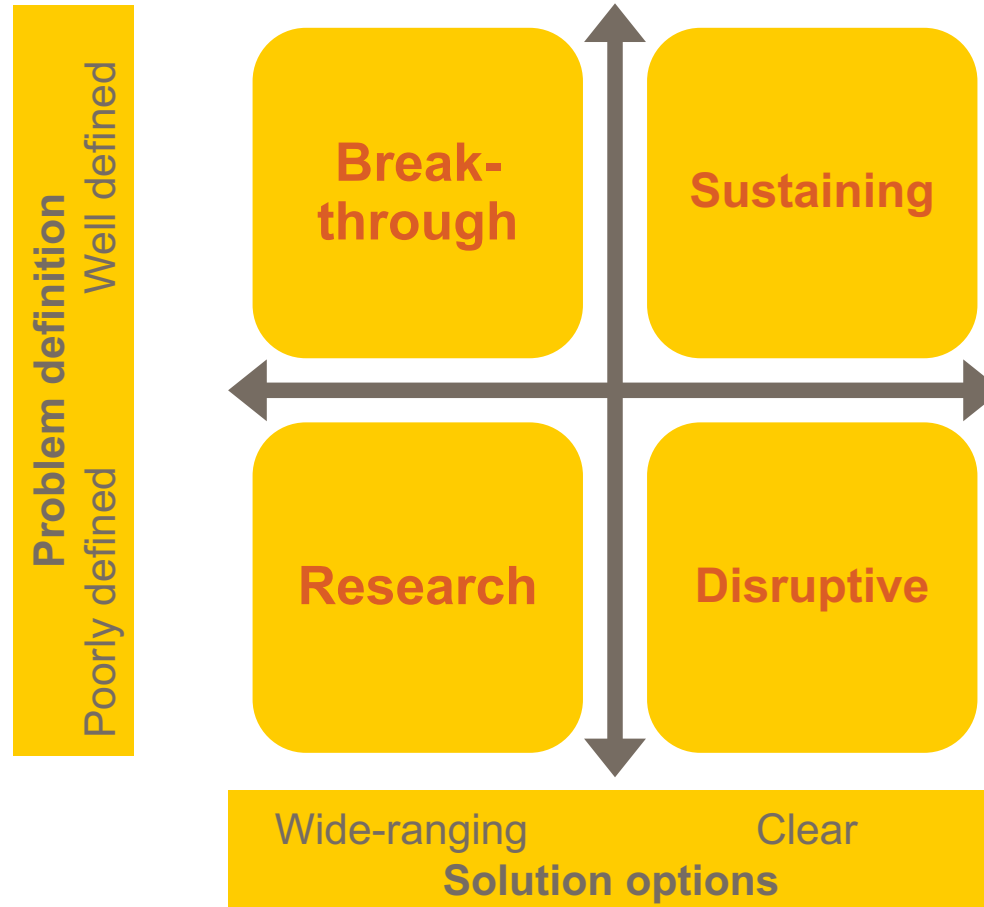
What type of innovation?



FinTech progression

- substitute technology for manual and clerical labor
- decision-making improvements
- growth of outside service companies and processors to spread costs
- computing-intensive products launched
- disintermediation and disruption

Quadrants of the innovation matrix



Innovations occur in different degrees

- Disruptive innovations:
create a new game
- Sustaining innovations:
improve current game
 - Only 2% of innovations are entirely new concepts
 - 98% of innovations Improve known offerings



Co-opetition*



Disruption

**Enhancing customer
relationships with
financial institutions**

Threaten traditional
relationships
Erode franchise values
of financial institutions

** Companies in the same industry (a) working together in knowledge exploration and research of new products, while (b) competing for customers of their products and in the exploitation of the knowledge created*

Forces that will drive outcomes



Regulations

**Benefits from
co-opetition
innovations**

**Convenience
of disruptive
offerings**

**Adoption
dynamics**

Questions

